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10 January 1956

MEMORANDUM FOR: Chief, Contact Division/00

ATTENTION : [REDACTED] 25X1A9a

THROUGH : Chief, Services Division
Chief, Intelligence Information Staff

FROM : Chief, Trade Branch

SUBJECT : Report on [REDACTED] 25X9A5

1. According to the Treasury Department, an attempt is being made in Switzerland by one [REDACTED] to "peddle" dollar bonds confiscated by the USSR during World War II. This information is contained in a report passed to the Treasury Department by a Swiss customs official. The report is somewhat vague as to the amount involved; it mentions bonds of a nominal value of 350 million US dollars, of which 335 million are redeemable in US dollars, and later on in the report the total of dollar bonds is referred to as 272 million US dollars. In addition, the report does not make it clear whether these figures include both private dollar bond issues and issues floated by the German Reich.

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2. [REDACTED] supposedly a sales agent for German firms specializing in glassware for the chemical industry, was mentioned in a State Basel despatch, dated 27 July 1954, as a middleman endeavoring to sell Chilean copper for ultimate delivery to the Soviet Bloc. Data on this transaction, as well as on Siebenmann's general business background, are contained in the enclosures.

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3. In view of [REDACTED] past involvement as a middleman in West-East diversions of strategic materials, it is reasonable to assume that he may have some connection with the above mentioned activities. Furthermore, possessing little capital of his own, [REDACTED] would be mainly interested in earning a commission, if and when a successful deal can be arranged with the Foreign Bondholders Protective Association in New York.

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SUBJECT: Report on Arnold Siebenmann

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In view of the fact that it is not known what type of bonds [redacted] is referring to, no concrete action can be recommended. The Protective Association's primary concern is with dollar bonds issued by foreign governments which are in default. It would appear therefore that subject is unaware of the function of the organization or that the information is garbled. It would seem more likely that subject has an opportunity to sell registered privately issued bonds which are not being serviced (interest paid) because of uncertainty over ownership. Additional information on the exact nature of 25X9A5 the securities proposed for sale should be sought. [redacted] usefulness as a source of intelligence information is questionable and a US visit would not be warranted for this purpose alone.

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[redacted]

Enclosures:

As per paragraph 2.

Distribution:

Orig. and 1 - Addressee

- ✓ 1 - D/S
- 1 - St/I
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ORR/S/TF:AE:evb/8182 (10 January 1958)